

House Bill 583

By: Representative Heard of the 104th

A BILL TO BE ENTITLED
AN ACT

1 To amend Code Section 33-7-15 of the Official Code of Georgia Annotated, relating to
2 cooperation by insured with insurer in connection with the defense of an action or threatened
3 action under a policy, so as to require that insureds send notice of legal actions to their
4 insurers; to provide for method of providing such notice; to provide for the effect of failure
5 to provide such notice; to provide for related matters; to provide for applicability; to repeal
6 conflicting laws; and for other purposes.

7 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

8 **SECTION 1.**

9 Code Section 33-7-15 of the Official Code of Georgia Annotated, relating to cooperation by
10 insured with insurer in connection with the defense of an action or threatened action under
11 a policy, is amended by revising the Code section as follows:

12 "33-7-15.

13 (a) No ~~motor vehicle~~ liability insurance policy ~~covering a motor vehicle principally~~
14 ~~garaged or principally used in this state~~ shall be issued, delivered or issued for delivery, or
15 renewed in this state unless such policy contains provisions or has an endorsement thereto
16 which specifically requires the insured to send his or her insurer at the address of the
17 insurer's registered agent for service as shown by the records of the Secretary of State or
18 to the Commissioner, as soon as practicable after the receipt thereof, a copy of every
19 summons or other process relating to the coverage under the policy and to cooperate
20 otherwise with the insurer in connection with the defense of any action or threatened action
21 covered under the policy.

22 (b) Noncompliance by the insured with this required provision or endorsement shall
23 constitute a breach of such provision or endorsement and shall constitute a breach of the
24 insurance contract which, if prejudicial to the insurer, shall relieve the insurer and its agents
25 of ~~its~~ their obligation to defend ~~its~~ their insureds under the policy and of any liability of the

1 insurer or its agents to pay any judgment or other sum to the insureds or on behalf of its
2 insureds.

3 (b.1) In the event the insurer denies coverage and it is determined by declaratory judgment
4 or other civil process that there is in fact coverage, the insurer shall be liable to the insured
5 for legal cost and attorney's fees as may be awarded by the court.

6 (c) Subsections (a) and (b) of this Code section shall not operate to deny coverage for
7 failure to send a copy of a summons or other process relating to policy coverage if such
8 documents are sent by a third party to the insurer ~~or to the insurer's agent~~ at the address
9 of the insurer's registered agent for service as shown by the records of the Secretary of
10 State or to the Commissioner by certified mail or statutory overnight delivery within ten
11 days of the filing of such documents with the clerk of the court. If the name of the insurer
12 ~~or the insurer's agent~~ is unknown, the third party shall have a period of 30 days from the
13 date the insurer ~~or agent~~ becomes known in which to send these required documents. Such
14 documents must be sent to the insurer ~~or agent~~ at the address of the insurer's registered
15 agent for service as shown by the records of the Secretary of State or to the Commissioner
16 by certified mail or statutory overnight delivery at least 30 days prior to the entry of any
17 judgment against the insured."

18 SECTION 2.

19 This Act shall become effective on July 1, 2007, and shall apply to all policies issued,
20 delivered or issued for delivery, or renewed in this state on and after such date.

21 SECTION 3.

22 All laws and parts of laws in conflict with this Act are repealed.